

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

CHAPTER 300 - Resources

Page | 3020

300.06.02 CONVERTED RESOURCES

If an individual sells, exchanges or replaces a resource, what he receives in return is a resource that has been converted from one type of resource to another.

Examples of converted resources are:

- A lot with equity value of \$5,000.00 is sold and the money is deposited into a money market account.
- A life insurance policy is cashed in and the proceeds are used to purchase a pre-need burial contract.

Handling Changes in a Converted Resource

When a resource changes form, it may also change as follows:

- From an excluded resource to a countable one,
- From a countable resource to an excluded one or
- To something that is not considered a resource for Medicaid purposes.

Example: An excluded vehicle is sold and proceeds are deposited into a checking account. The money received is a countable resource, rather than income.

Example: A life insurance policy with a face value of \$15,000.00 and a countable cash surrender value of \$1,000.00 is cashed in and the proceeds are used to purchase a cemetery plot which is excluded in the resource determination.

300.06.03 EVALUATION OF RECEIPT OF PROPERTY AS INCOME

When an individual first receives property (as a gift or inheritance, for instance, and not as a purchase or trade of one resource for another), the new property is subject to evaluation under the income rules for the month of receipt and under resource rules thereafter.